



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

MEMORANDUM

Date: June 25, 2007

To: Councilmembers

From: Councilmember Ann Kobayashi *AK*
Chair, Committee on Executive Matters

Councilmember Donovan M. Dela Cruz *YUD*
Chair, Committee on Public Health, Safety & Welfare

Subject: Report and Findings - 5th Annual PCBC/ULI Multifamily Trends
Conference - May 29-31, 2007

RECEIVED
2007 JUL -5 P 2:18
CITY COUNCIL
HONOLULU, HAWAII

In accordance with the City and County of Honolulu's City Council rules of operation, a report is being transmitted for the official travel of Councilmember Donovan M. Dela Cruz and myself to attend the 5th Annual PCBC/ULI Multifamily Trends Conference in San Francisco. The Conference focused on the changes taking place in the homebuilding industry including: innovative developments to increase profitability, and explore new concepts and business practices.

Tuesday, May 29, 2007

1. Welcoming Remarks at the San Francisco Marriott Hotel by Geoffrey L. Sack, Managing Director of Irvine based SARES-REGIS Group, one of the largest commercial and residential real estate firms in the West.
2. Opening Keynote by Hessam Nadji
 - a. Mr. Nadji oversees the research division of Marcus & Millichap, a premier provider of real estate brokerage services.
 - b. Mr. Nadji provided overall information on economic, market, and demographic condition affecting the multifamily industry stating that:
 - i. Housing indicators show a recession is coming;
 - ii. Employment rates show an upward trend—housing industry jobs increased by 8 million in three years;
 - iii. There will be a projected demand for apartments—430,000 per year for the next ten years
 - iv. In regards to pension funds, 6% will be invested in real estate.
3. General Session—Staying Ahead of the Curve
 - a. Panel discussion on the challenges and opportunities facing the multifamily industry today and in the future.
 - b. The panel included leader from five of the largest and most respected companies in the industry and discussed how to stay on top of the trends affecting the industry.

Wednesday, May 30, 2007

1. General Session—Creating Lifestyle Communities
 - a. Speakers at this conference discussed the intensely competitive housing market and how to offer developers something distinctive called “lifestyle,” by developing and marketing innovative and novel approaches to condo and apartment design.
 - b. For instance:
 - i. Many seniors are drawn to the downtown area, so do research before building.
 - ii. San Diego has a program called the “Clean and Safe Program” which helps the homeless, with smaller units and security.
2. Value-Add Apartment Development: Taking Advantage of a Rising Market
 - a. This session discussed the large increase in the economy and tide of post baby boomers boosting apartment rentals and occupancies. However, soaring construction costs dampen the developer’s ability to take full advantage of this trend.
 - b. Speakers discussed where the opportunities and challenges are to take full advantage of this trend through value-add development—upgrading and repositioning rental properties. Some examples include:

- i. Workforce Housing, which provides a pool of low to mid level workers for nearby businesses with increased police presence living in the units to provide more safety for residents.
 - ii. Landscaping to add to attraction and makes developments more inviting.
3. Keynote Luncheon—Innovative Spaces for the Way People Live
 - a. Keynote Speaker Fred Dust leads IDEO's Smart Space practice, which is responsible for helping clients with strategic and innovative goals centered around space and real estate. IDEO is a design and consulting firm famous for designing the mouse and Palm Pilot.
 - b. Mr. Dust discussed a basic yet profound idea that good design starts with understanding how people really live, their behaviors, and their wants and needs.
4. Making Sense of Mixing Uses
 - a. Speakers for this session discussed lifestyle demands by buyers and renters; investors demand for quick profits; and localities demand for housing. Based on these demands communities must fit into a variety of urban and suburban contexts, and must include a number of mixed uses.
 - b. Speakers discussed developments which successfully mixed housing with shopping, recreation and other uses; what kinds of locations are suitable for such development; pitfalls to avoid; and ways to initiate the development.
 - c. Successful developments included:
 - i. affordable housing
 - ii. high quality design
 - iii. strong management
 - iv. additional social service to provide for fragile economic population
5. Workforce housing to provide for public safety and healthcare

Thursday, May 31, 2007

1. PCBC The Premier Building Show & Conference
 - a. Silence is Green: New Construction Trends Turn Comfort into Profits
 - i. Speakers for this session discussed the importance of addressing the issue of noise control during the construction phase so noise isn't an issue after.
 - ii. Speakers discussed new residential noise control solutions that improve the general well-being of the family and accommodate its unique lifestyle and help improve the resale value of the home.

b. Easy Affordable Green:

- i. Speakers for this session discussed ways to eliminate some of the perceived roadblocks of constructing green building and offer different approaches for making it green through prefabricated design and construction methods.
- ii. Speakers also discussed simple strategies to reduce waste, maximize resource efficiencies and minimize energy usage.

c. Smart Building Through Urban Overlay Zones

- i. Speakers for this session discussed various challenges faced by municipalities and developers seeking to infill sites for new construction.
- ii. Speakers discussed using Urban Overlay Zones as an innovative new planning tool being adopted by increasing number of cities. Urban Overlay Zones provide a practical zoning structure for high-density, mixed-use development in areas not generally zoned for housing, creating standards that allow cities to streamline the entitlement process.
- iii. Speakers from Anaheim, CA, discussed the benefits and potential drawbacks of these zones and the areas of opportunity they create.

May 29 - 30, 2007

San Francisco, CA

DD

City and County of Honolulu
STATEMENT OF COMPLETED TRAVEL

- Statement due within 30 days of completing travel.
- Statement not turned in will result in total cash advance to be included as income on W-2.

I certify that I departed from Honolulu on official business on 5/28/07 at 9:05PM and returned to Honolulu on 6/01/07 at 11:17AM, as authorized (see attached Form M-6-69). The following is an accounting of expenditures and funds advanced to traveler (attach required receipts). Travel destination and purpose:

(1) PAYMENTS MADE BY TRAVELER FOR ALLOWABLE EXPENSES:

(a) Lodging, Meals and Tips:

From 5/28/07 to 6/01/07
3.75 days @ \$ 130 per day = \$ 487.50

The conference, etc., started: Date 5/29/07 Time 3PM

The conference, etc., ended: Date 6/01/07 Time 2PM

(b) Excess Lodging Costs: 3 days @ \$ 130.58 per day = \$ 391.74

Actual lodging cost per day \$ 215.58

Less lodging allowance per day (85.00)

Excess lodging per day \$ 130.58

(c) Limousine, Taxi, Bus:

DATE	DESTINATION	AMOUNT
<u>6/01/07</u>	<u>Super shuttle</u>	\$ <u>32.00</u>

\$ 32.00

(d) Other allowable expenses:

DATE	NATURE OF EXPENSE	AMOUNT
		\$
		\$ -0-

TOTAL ALLOWABLE EXPENSES, (a) + (b) + (c) + (d) \$ 911.24

(2) CASH ADVANCED TO TRAVELER 0.00

REIMBURSEMENT DUE TRAVELER \$ 911.24

AMOUNT DUE CITY FROM TRAVELER - if cash advances exceed expenses (\$)

SUMMARY OF TOTAL TRAVEL EXPENDITURES

Total Allowable Expenses (as shown above)	\$ <u>911.24</u>
Air Transportation Cost (not included above) (pcard)	<u>902.91</u>
Registration Fee, etc. (not included above) (pcard)	<u>595.00</u>
TOTAL TRAVEL EXPENDITURES	\$ <u>2,409.15</u>

Prepared by: X

Signature of Traveler
Donovan Dela Cruz

APPROVED:

Department Head